

CHAPTER 425  
MOTOR VEHICLE AND TRAVEL TRAILER DEALERS,  
MANUFACTURERS, DISTRIBUTORS AND WHOLESALERS  
[Prior to 7/17/96, see 761—Chapters 420 and 422]

**761—425.1(322) Introduction.**

**425.1(1)** This chapter applies to the licensing of motor vehicle and travel trailer dealers, manufacturers, distributors and wholesalers. Also included in this chapter are the criteria for the issuance and use of dealer plates.

**425.1(2)** The office of vehicle services administers this chapter.

*a.* The mailing address is: Office of Vehicle Services, Iowa Department of Transportation, P.O. Box 9278, Des Moines, Iowa 50306-9278.

*b.* The office is located in Park Fair Mall, 100 Euclid Avenue, Des Moines.

**761—425.2 Reserved.**

**761—425.3(322) Definitions.** The following definitions, in addition to those found in Iowa Code sections 322.2 and 322C.2, apply to this chapter of rules:

*“Car lot”* means an extension lot for the sale of motor vehicles that is located within the same city or township as the motor vehicle dealer’s principal place of business but is not adjacent. Parcels of property are adjacent if the parcels are separated only by an alley, street or highway that is not a controlled access facility. For the purpose of licensing motor vehicle dealers, “extension lot” has the same meaning as “car lot.”

*“Certificate of title”* means a document issued by the appropriate official which contains a statement of the owner’s title, the name and address of the owner, a description of the vehicle, a statement of all security interests, and additional information required under the laws or rules of the jurisdiction in which the document was issued, and which is recognized as a matter of law as a document evidencing ownership of the vehicle described. The terms “title certificate,” “title only” and “title” shall be synonymous with the term “certificate of title.”

*“Consumer use”* means use of a motor vehicle or travel trailer for business or pleasure, not for sale at retail, by a person who has obtained a certificate of title and has registered the vehicle under Iowa Code chapter 321.

*“Dealer,”* unless otherwise specified, means a person who is licensed to engage in this state in the business of selling motor vehicles or travel trailers at retail under Iowa Code chapter 322 or 322C.

*“Designated location”* means a building actually occupied where the public and the department may contact the owner or operator during regular business hours. In lieu of a building, a travel trailer dealer may use a mobile home as an office if taxes are current or a travel trailer as an office if registration fees are current.

*“Engage in this state in the business”* or similar wording means doing any of the following acts for the purpose of selling motor vehicles or travel trailers at retail: to acquire, sell, exchange, hold, offer, display, broker, accept on consignment or conduct a retail auction, or to act as an agent for the purpose of doing any of these acts. A person selling at retail more than six motor vehicles or six travel trailers during a 12-month period may be presumed to be engaged in the business. See rule 425.20(322) for provisions regarding fleet sales and retail auction sales.

*“Manufacturer’s certificate of origin”* means a certification signed by the manufacturer, distributor or importer that the vehicle described has been transferred to the person or dealer named, and that the transfer is the first transfer of the vehicle in ordinary trade and commerce. The terms “manufacturer’s statement,” “importer’s statement or certificate,” “MSO” and “MCO” shall be synonymous with the term “manufacturer’s certificate of origin.” See rule 761—400.1(321) for more information.

*“Registered dealer”* means a dealer licensed under Iowa Code chapter 322, 322B or 322C who possesses a current dealer certificate under Iowa Code section 321.59.

*“Regular business hours”* means to be consistently open to the public on a weekly basis at hours reported to the office of vehicle services. Except as provided in Iowa Code section 322.36, regular business hours for a motor vehicle or travel trailer dealer or used vehicle wholesaler shall include a minimum of 32 posted hours between Monday and Friday, inclusive.

*“Salesperson”* means a person employed by a motor vehicle or travel trailer dealer or used vehicle wholesaler for the purpose of buying or selling vehicles.

*“Travel trailer lot”* means an extension lot for the sale of travel trailers that is located within the same county as the travel trailer dealer’s principal place of business but is not adjacent. Parcels of property are adjacent if the parcels are separated only by an alley, street or highway that is not a controlled access facility. For the purpose of licensing travel trailer dealers, “extension lot” has the same meaning as “travel trailer lot.”

*“Vehicle,”* unless otherwise specified, means a motor vehicle or travel trailer.

*“Wholesaler”* means a person who sells vehicles to dealers and not at retail.

This rule is intended to implement Iowa Code chapters 322 and 322C.

**761—425.4 to 425.9** Reserved.

**761—425.10(322) Application for dealer’s license.**

**425.10(1) Applications forms.** To apply for a license as a motor vehicle or travel trailer dealer, the applicant shall complete Form 417008, “Application for Dealer’s License,” and Form 417009, “Fees for Dealer License Application,” and submit them to the office of vehicle services.

**425.10(2) Surety bond.**

a. The applicant shall obtain a surety bond in the following amounts and file the original with the office of vehicle services:

(1) For a motor vehicle dealer’s license, \$50,000.

(2) For a travel trailer dealer’s license, \$25,000. However, an applicant for a travel trailer dealer’s license is not required to file a bond if the person is licensed as a motor vehicle dealer under the same name and at the same principal place of business.

b. The surety bond shall provide for notice to the office of vehicle services at least 30 days before cancellation.

c. The office of vehicle services shall notify the bonding company of any conviction of the dealer for a violation of dealer laws.

d. If the bond is canceled, the office of vehicle services shall notify the dealer by certified mail that the dealer’s license shall be revoked on the same date that the bond is canceled unless the bond is reinstated or a new bond is filed.

**425.10(3) Franchise.**

a. An applicant who intends to sell new motor vehicles or travel trailers shall submit to the office of vehicle services a copy of a signed franchise agreement with the manufacturer or distributor of each make the applicant intends to sell.

*b.* If a signed franchise agreement is not available at the time of application, the department may accept written evidence of a franchise which includes all of the following:

- (1) The name and address of the applicant and the manufacturer or distributor.
- (2) The make of motor vehicle or travel trailer that the applicant is authorized to sell.
- (3) The applicant's area of responsibility as stipulated in the franchise.
- (4) The signature of the manufacturer or distributor.

**425.10(4) *Corporate applicants.*** If the applicant is a corporation, the applicant shall certify on the application that the corporation complies with all applicable state requirements for incorporation.

**425.10(5) *Place of business.*** The applicant shall maintain a place of business at a designated location. See rules 425.12(322) to 425.14(322) for further requirements.

**425.10(6) *Zoning.*** The applicant shall certify on the application that the applicant's principal place of business and any extensions comply with all applicable zoning provisions or are a legal non-conforming use.

**425.10(7) *Separate licenses required.***

*a.* A separate license is required for each city or township in which an applicant for a motor vehicle dealer's license maintains a place of business.

*b.* A separate license is required for each county in which an applicant for a travel trailer dealer's license maintains a place of business.

**425.10(8) *Financial liability.*** The applicant for a motor vehicle dealer's license shall certify on the application that the applicant has the required financial liability coverage in the limits as set forth in Iowa Code Supplement section 322.4(8). It is the applicant's responsibility to ensure the required financial liability coverage is continuous with no lapse in coverage as long as the applicant maintains a valid dealer's license.

**425.10(9) and 425.10(10)** Reserved.

**425.10(11) *Verification of compliance.*** The department shall verify the applicant's compliance with all statutory and regulatory dealer licensing requirements.

This rule is intended to implement Iowa Code sections 322.1 to 322.15 and 322C.1 to 322C.6.

**761—425.11** Reserved.

**761—425.12(322) Motor vehicle dealer's place of business.**

**425.12(1) *Verification of compliance; temporary license.*** Before a motor vehicle dealer's license is issued, an investigator from the department shall physically inspect an applicant's principal place of business to verify compliance with this rule. The department may issue a temporary license upon receipt of certification by the applicant that the place of business complies with this rule. The temporary license shall be in effect until an on-site inspection is completed.

**425.12(2) *Telephone service and office area.*** A motor vehicle dealer's principal place of business shall include telephone service and an adequate office area, separate from other facilities, for keeping business records, manufacturers' certificates of origin, certificates of title or other evidence of ownership for all motor vehicles offered for sale. Evidence of ownership may include a copy of an original document if the original document is held by a lienholder.

**425.12(3) *Facility for displaying motor vehicles.*** A motor vehicle dealer's principal place of business shall include a suitable space reserved for display purposes where motor vehicles may be viewed by prospective buyers. The facility shall be:

*a.* Within a building. **EXCEPTION:** For used motor vehicle dealers and for dealers selling new trucks or motor homes exclusively, the display facility may be an outdoor area with an all-weather surface. An all-weather surface does not include grass or exposed soil.

*b.* Of a minimum size.

(1) For display of motorcycles and motorized bicycles, the minimum size of the display facility is 3 meters by 4.6 meters (10 feet by 15 feet).

(2) For display of other motor vehicles, the minimum size of the display facility is 5.5 meters by 9.1 meters (18 feet by 30 feet).

**425.12(4)** *Facility for reconditioning and repairing motor vehicles.* A motor vehicle dealer's principal place of business shall include a facility for reconditioning and repairing motor vehicles. The facility shall be an area that:

- a. Is equipped to repair and recondition one or more motor vehicles of a type sold by the dealer.
- b. Is within a building.
- c. Has adequate access.
- d. Is separated from the display and office areas by solid, floor-to-ceiling walls and solid, full-length doors.
- e. Is of a minimum size.

(1) The minimum size facility for motorcycles and motorized bicycles is an unobstructed rectangular area measuring 3 meters by 4.6 meters (10 feet by 15 feet).

(2) The minimum size facility for other types of motor vehicles is an unobstructed rectangular area measuring 4.3 meters by 7.3 meters (14 feet by 24 feet).

**425.12(5)** *Motor vehicle dealer who is also a recycler.* If a motor vehicle dealer also does business as a recycler, there shall be separate parking for motor vehicles being offered for sale at retail from motor vehicles that are salvage.

This rule is intended to implement Iowa Code sections 322.1 to 322.15.

**761—425.13** Reserved.

**761—425.14(322)** **Travel trailer dealer's place of business.**

**425.14(1)** *Telephone service and office area.* A travel trailer dealer's principal place of business shall include telephone service and an adequate office area, separate from other facilities, for keeping business records, manufacturers' certificates of origin, certificates of title or other evidence of ownership for all travel trailers offered for sale. Evidence of ownership may include a copy of an original document if the original document is held by a lienholder.

**425.14(2)** *Facility for displaying travel trailers.* A travel trailer dealer's principal place of business shall include a space of sufficient size to permit the display of one or more travel trailers. The display facility may be an indoor area or an outdoor area with an all-weather surface. An all-weather surface does not include grass or exposed soil. If an outdoor display facility is maintained, it may be used only to display, recondition or repair travel trailers or to park vehicles.

**425.14(3)** *Facility for repairing and reconditioning travel trailers.* A travel trailer dealer's principal place of business shall include a facility for reconditioning and repairing travel trailers. The facility:

- a. Shall be equipped and of sufficient size to repair and recondition one or more travel trailers of a type sold by the dealer.
- b. Shall have adequate access.
- c. May be an indoor area or an outdoor area with an all-weather surface. An all-weather surface does not include grass or exposed soil.
- d. May occupy the same area as the display facility.

**425.14(4)** *Travel trailer dealer also licensed as a motor vehicle dealer.* If a travel trailer dealer is also licensed as a motor vehicle dealer under the same name and at the same principal place of business, separate facilities for displaying, repairing and reconditioning travel trailers are not required.

This rule is intended to implement Iowa Code sections 322C.1 to 322C.6.

**761—425.15** and **425.16** Reserved.

**761—425.17(322) Extension lot license.** Extension lots of motor vehicle and travel trailer dealers must be licensed. Application shall be made on Form 417059, “Application for Dealer’s Extension Lot License.”

This rule is intended to implement Iowa Code sections 322.1 to 322.15 and 322C.1 to 322C.6.

**761—425.18(322) Supplemental statement of changes.** A motor vehicle dealer shall file a written statement with the office of vehicle services at least ten days before any change of name, location, hours, or method or plan of doing business. A license is not valid until the changes listed in the statement have been approved by the office of vehicle services.

This rule is intended to implement Iowa Code sections 322.1 to 322.15.

**761—425.19** Reserved.

**761—425.20(322) Fleet vehicle sales and retail auction sales.**

**425.20(1) Fleet sales.** Any person who has acquired vehicles for consumer use in a business shall obtain the appropriate dealer’s license when more than six vehicles are offered for sale at retail in a 12-month period.

**425.20(2) Retail auction sales.** Any person who sells at public auction more than six vehicles in a 12-month period shall obtain the appropriate dealer’s license. All certificates of title for the vehicles offered for sale at public auction shall be duly assigned to the dealer.

**425.20(3) Place of business.** A dealer’s license issued under this rule does not require a place of business.

**425.20(4) Exceptions.**

*a.* The state of Iowa, counties, cities and other governmental subdivisions are not required to obtain a dealer’s license to sell their vehicles at retail.

*b.* This rule does not apply to a vehicle owner, or to an auctioneer representing the owner, selling vehicles at a retail auction if the vehicles were acquired by the owner for consumer use, the vehicles are incidental to the auction, and only one owner’s vehicles are sold.

This rule is intended to implement Iowa Code sections 322.1 to 322.15 and 322C.1 to 322C.6.

**761—425.21 to 425.23** Reserved.

**761—425.24(322) Miscellaneous requirements.**

**425.24(1)** The department shall not issue a license under Iowa Code chapter 322 or 322C to any other person at a place of business or designated location of a person currently licensed under Iowa Code chapter 322 or 322C.

**425.24(2)** A motor vehicle or travel trailer dealer shall not represent or advertise the dealership under any name or style other than the name which appears on the dealer’s license.

**425.24(3)** Other business activities are allowed at a place of business of a dealer or the designated location of a used vehicle wholesaler, but those activities shall not include the sale of firearms, dangerous weapons as defined in Iowa Code section 702.7, or alcoholic beverages as defined in Iowa Code subsection 123.3(4).

This rule is intended to implement Iowa Code sections 322.1 to 322.15 and 322C.1 to 322C.6.

**761—425.25** Reserved.

**761—425.26(322) Fairs, shows and exhibitions.****425.26(1) Definitions.** As used in this rule:

*“Display without permit”* means the motor vehicle or travel trailer dealer may provide staff for security and for explaining or describing the design, features, performance, options and models of the vehicles being shown. The dealer may also post, display or provide product information through literature or other descriptive media. However, the product information shall not include prices, except for the manufacturer’s sticker price. *“Display”* does not mean offering vehicles for sale or negotiating sales of vehicles.

*“Fair”* means a county fair or a scheduled gathering for a predetermined period of time at a specific location for the exhibition, display or sale of various wares, products, equipment, produce or livestock, but not solely vehicles, and sponsored by a person other than a single dealer.

*“Offer”* vehicles *“for sale,”* *“negotiate sales”* of vehicles, or similar wording, means doing any of the following at a fair, show or exhibition: posting prices in addition to the manufacturer’s sticker price, discussing prices or trade-ins, arranging for payments or financing, and initiating contracts.

*“Vehicle exhibition”* means a scheduled event conducted at a specific location where various types, makes or models of new vehicles are displayed either at the same time or consecutively in time, and sponsored by a person other than a single dealer.

*“Vehicle show”* means a scheduled event conducted for a predetermined period of time at a specific location for the purpose of displaying at the same time various types, makes or models of new vehicles, which may be in conjunction with other events or displays, and sponsored by a person other than a single dealer.

**425.26(2) Permits for motor vehicle dealers.** A fair, show or exhibition permit allows a motor vehicle dealer to display and offer new motor vehicles for sale and negotiate sales of new motor vehicles at a specified county fair, vehicle show or vehicle exhibition that is held in the same county as the motor vehicle dealer’s principal place of business. Exception: A motor vehicle dealer who is licensed to sell motor homes may be issued a permit to offer for sale Class “A” and Class “C” motor homes at a specified fair, show or exhibition in any Iowa county.

a. Permits will be issued to motor vehicle dealers only for county fairs, vehicle shows or vehicle exhibitions where more than one motor vehicle dealer may participate.

b. The permit period is the duration of the event, not to exceed 14 days. The permit is not valid on Sundays. Only one permit may be issued to each motor vehicle dealer for an event.

c. The permit is limited to the line makes for which the motor vehicle dealer is licensed in Iowa.

**425.26(3) Reserved.**

**425.26(4) Permits for travel trailer dealers.** A fair, show or exhibition permit allows a travel trailer dealer to display and offer new travel trailers for sale and negotiate sales of new travel trailers at a specified fair, vehicle show, or vehicle exhibition in any Iowa county.

a. The permit period is the duration of the event, not to exceed 14 days. The permit is valid on Sundays.

b. The permit is limited to the line makes for which the travel trailer dealer is licensed in Iowa.

**425.26(5) Permit application.** A motor vehicle or travel trailer dealer shall apply for a fair, show or exhibition permit on Form 411119. The application shall include the dealer’s name, address and license number and the following information about the fair, show or exhibition: name, location, sponsor(s) and duration, including the opening and closing dates.

**425.26(6) Display of permit.** The motor vehicle or travel trailer dealer shall display the permit at the fair, show or exhibition in close proximity to the vehicles being exhibited.

**425.26(7) Variance.** The department may grant a variance from the requirements of these rules and grant a special limited permit for the display only of motor homes or travel trailers at a convention sponsored by an established national association, if the department determines that granting the permit would not encourage evasion of these rules and that the public interest so demands. The department may impose alternative permit requirements.

**425.26(8) Display without permit.** A dealer who does not have a permit may display vehicles at fairs, vehicle shows and vehicle exhibitions.

This rule is intended to implement Iowa Code section 321.124 and subsections 322.5(2) and 322C.3(9).

**761—425.27 and 425.28** Reserved.

**761—425.29(322) Classic car permit.** A classic car permit allows a motor vehicle dealer to display and sell classic cars at a specified county fair, vehicle show or vehicle exhibition that is held in the same county as the motor vehicle dealer's principal place of business. "Classic car" is defined in Iowa Code subsection 322.5(3).

**425.29(1)** The permit period is the duration of the event, not to exceed five days. The permit is valid on Sundays. Only one permit may be issued to each motor vehicle dealer for an event. No more than three permits may be issued to a motor vehicle dealer in any one calendar year.

**425.29(2)** Application for a classic car permit shall be made on Form 411045. The application shall include dealer's name, address and license number and the following information about the county fair, vehicle show or vehicle exhibition: name, location, sponsor(s) and duration, including the opening and closing dates.

**425.29(3)** The motor vehicle dealer shall display the permit in a prominent place at the location of the county fair, vehicle show or vehicle exhibition.

This rule is intended to implement Iowa Code subsection 322.5(3).

**761—425.30(322) Motor truck display permit.** Application for a permit under Iowa Code subsection 322.5(4) shall be made on Form 411176. The application shall include information or documentation showing that the nonresident motor vehicle dealer is eligible for issuance of a permit and that the event meets the statutory conditions for permit issuance.

This rule is intended to implement Iowa Code subsection 322.5(4).

**761—425.31(322) Firefighting and rescue show permit.**

**425.31(1)** Application for a firefighting and rescue show permit shall be made on Form 411220. The application shall include the name, address and license number of the applicant, the type of vehicles being displayed, and the following information about the vehicle show or exhibition: name, location, sponsor(s), and duration, including the opening and closing dates.

**425.31(2)** The permit is not valid on Sundays. Only one permit shall be issued to each licensee for an event.

**425.31(3)** The permit holder shall display the permit in a prominent place at the location of the vehicle show or exhibition.

This rule is intended to implement Iowa Code section 322.5 as amended by 1999 Iowa Acts, Senate File 203, section 23.

**761—425.32 to 425.39** Reserved.

**761—425.40(322) Salespersons of dealers and used vehicle wholesalers.**

**425.40(1)** Every motor vehicle and travel trailer dealer and used vehicle wholesaler shall:

- a. Keep a current written record of all salespersons acting in its behalf. The record shall be open to inspection by any peace officer or any employee of the department.
- b. Maintain a current record of authorized persons allowed to sign all documents required under Iowa Code chapter 321 for vehicle sales.

**425.40(2)** No person shall either directly or indirectly claim to represent a dealer or used vehicle wholesaler unless the person is listed as a salesperson by that dealer or wholesaler.

This rule is intended to implement Iowa Code sections 322.3, 322.13, and 322C.4.

**761—425.41 to 425.49 Reserved.**

**761—425.50(322) Manufacturers, distributors, and wholesalers.** This rule applies to the licensing of manufacturers, distributors, and wholesalers of new motor vehicles and travel trailers. The licensing of used vehicle wholesalers is addressed in rule 425.52(322).

**425.50(1)** *Application for license.* To apply for a license, the applicant shall complete Form 417029, “Manufacturer, Distributor, Wholesaler Application for License,” and submit it to the office of vehicle services, accompanied by a list of the applicant’s franchised dealers in Iowa and a sample copy of a completed manufacturer’s certificate of origin that is issued by the firm. A distributor or wholesaler shall also provide a copy of written authorization from the manufacturer to act as its distributor or wholesaler.

**425.50(2)** *Licensing requirements.*

- a. Rescinded IAB 11/3/99, effective 12/8/99.
- b. New motor homes delivered to Iowa dealers must contain the systems and meet the standards specified in Iowa Code paragraph 321.1(39) “d.”
- c. A licensee shall ensure that any new retail outlet is properly licensed as a dealer before any vehicles are delivered to the outlet.
- d. A licensee shall notify the office of vehicle services in writing at least ten days prior to any:
  - (1) Change in name, location or method of doing business, as shown on the license.
  - (2) Issuance of a franchise to a dealer in this state to sell new vehicles at retail.
  - (3) Rescinded IAB 11/3/99, effective 12/8/99.
  - (4) Change in the trade name of a travel trailer manufactured for delivery in this state.
- e. A licensee shall notify the office of vehicle services in writing at least ten days before any new make of vehicle is offered for sale at retail in this state.

This rule is intended to implement Iowa Code sections 322.27 to 322.30 and 322C.7 to 322C.9.

**761—425.51(322) Factory or distributor representatives.** Rescinded IAB 11/3/99, effective 12/8/99.

**761—425.52(322) Used vehicle wholesalers.**

**425.52(1)** *Application for license.* To apply for a license as a used vehicle wholesaler, the applicant shall complete Form 417004, “Used Vehicle Distributor/Wholesaler Application for License,” and submit it to the office of vehicle services. The applicant shall certify on the application that the applicant’s designated location complies with all applicable zoning provisions or is a legal nonconforming use. If the applicant is a corporation, the applicant shall certify on the application that the corporation complies with all applicable state requirements for incorporation.



**425.52(2) Licensing requirements.** The licensee shall:

- a. Maintain regular business hours and telephone service at a designated location. The location shall include separate and adequate office space for keeping records of vehicles sold and offered for sale. Before a license is issued, an investigator from the department shall physically inspect the location to verify compliance with this rule.
- b. Represent and advertise the business under the name which appears on the license.
- c. Confine the sale of vehicles to licensed dealers.
- d. Notify the department in writing at least ten days before any change in name, location, hours or method of doing business, as shown on the license.

**425.52(3) Renewal.** The license must be renewed annually.

This rule is intended to implement Iowa Code sections 322.27 to 322.30 and 322C.7 to 322C.9.

**761—425.53(322) Wholesaler's financial liability coverage.** A new or used motor vehicle wholesaler shall certify on the license application that it has the required financial liability coverage in the limits set forth in Iowa Code section 322.27A. It is the wholesaler's responsibility to ensure that the required financial liability coverage is continuous with no lapse in coverage as long as the wholesaler maintains a valid wholesaler's license.

This rule is intended to implement Iowa Code section 322.27A.

**761—425.54 to 425.59** Reserved.

**761—425.60(322) Right of inspection.**

**425.60(1)** Peace officers have the authority to inspect vehicles or component parts of vehicles, business records, and manufacturers' certificates of origin, certificates of title and other evidence of ownership for all vehicles offered for sale.

**425.60(2)** The department has the right at any time to verify compliance of a person licensed under Iowa Code chapter 322 or 322C or issued a certificate under Iowa Code section 321.59 with all statutory and regulatory requirements.

This rule is intended to implement Iowa Code sections 321.62, 321.95, 322.13, and 322C.1.

**761—425.61** Reserved.

**761—425.62(322) Denial, suspension or revocation.**

**425.62(1)** The department may deny an application or suspend or revoke a certificate or license if the applicant, certificate holder or licensee fails to comply with the applicable provisions of this chapter of rules, Iowa Code sections 321.57 to 321.63 or Iowa Code chapter 322 or 322C.

**425.62(2)** The department may deny a dealer's application for a fair, show or exhibition permit for a period not to exceed six months if the dealer fails to comply with the applicable provisions of rule 425.26(322) or Iowa Code subsection 322.5(2) or 322C.3(9).

**425.62(3)** The department may deny a motor vehicle dealer's application for a demonstration permit for a period not to exceed six months if the dealer fails to comply with rule 425.72(322).

**425.62(4)** A person who is aggrieved by a decision of the department and who is entitled to a hearing may contest the decision in accordance with 761—Chapter 13.

This rule is intended to implement Iowa Code chapter 17A and sections 321.57 to 321.63, 322.6, 322.9, 322.31, and 322C.6.

**761—425.63 to 425.69** Reserved.

**761—425.70(321) Dealer plates.**

**425.70(1) Definition.** The definitions of “dealer” and “vehicle” in Iowa Code section 321.1 apply to this rule.

**425.70(2) Persons who may be issued dealer plates.** Dealer plates as provided in Iowa Code sections 321.57 to 321.63 may be issued to:

- a. Licensed motor vehicle dealers.
- b. Licensed mobile home dealers. The plates shall display the word “trailer.”
- c. Licensed travel trailer dealers. The plates shall display the word “trailer.”
- d. A person engaged in the business of buying, selling or exchanging trailer-type vehicles subject to registration under Iowa Code chapter 321, other than travel trailers, and who has an established place of business for such purpose in this state. The plates shall display the word “trailer.”
- e. Insurers selling vehicles of a type subject to registration under Iowa Code chapter 321 solely for the purpose of disposing of vehicles acquired as a result of a damage settlement or recovered stolen vehicles acquired as a result of a loss settlement. The plates shall display the words “limited use.”
- f. Persons selling vehicles of a type subject to registration under Iowa Code chapter 321 solely for the purpose of disposing of vehicles acquired or repossessed by them in exercise of powers or rights granted by lien or title-retention instruments or contracts given as security for loans or purchase money obligations, and who are not required to be licensed dealers. The plates shall display the words “limited use.”
- g. Persons engaged in the business of selling special equipment body units which have been or will be installed on motor vehicle chassis not owned by them, solely for the purpose of delivering, testing or demonstrating the special equipment body and the motor vehicle. The plates shall display the words “limited use.”
- h. A licensed wholesaler who is also licensed as a motor vehicle dealer as specified in paragraph 425.70(3) “e.”

**425.70(3) Use of dealer plates.**

- a. Dealer plates shall not be displayed on vehicles that are rented, leased or loaned. However, a dealer plate may be displayed on a motor vehicle, other than a truck or truck tractor, loaned to a customer of a licensed motor vehicle dealer while the customer’s motor vehicle is being serviced or repaired by the dealer.
- b. Motor vehicles used by dealers, manufacturers or distributors to transport other vehicles shall be registered, except when being transported from the place of manufacturing, assembling or distribution to a dealer’s place of business.
- c. Saddle-mounted vehicles being transported shall display dealer plates.
- d. Trailer dealer plates may be displayed on a trailer carrying a load, provided the truck or truck tractor towing the trailer is properly registered under Iowa Code section 321.122, except as provided in rule 425.72(321).
- e. Dealer plates may be used by a dealer licensed as a wholesaler for a new motor vehicle model when operating a new motor vehicle of that model if the motor vehicle is owned by the wholesaler and is operated solely for the purpose of demonstration, show or exhibition.

This rule is intended to implement Iowa Code sections 321.57 to 321.63.

**761—425.71 Reserved.****761—425.72(321) Demonstration permits.**

**425.72(1)** Demonstration permits may be issued to motor vehicle dealers to permit the use of dealer plates for the purpose of demonstrating the load capabilities of motor trucks and truck tractors. The fee for a permit is \$10.

**425.72(2)** The dealer shall complete the permit form. The information to be filled out includes, but is not limited to, the following:

- a.* Date of issuance by the dealer, date of expiration, and the specific dates for which the permit is valid. The expiration date shall be five days or less from the date of issuance.
- b.* Dealer's name, address and license number.
- c.* Name(s) of the prospective buyer(s) and all prospective drivers.
- d.* Route of the demonstration trip. The points of origin and destination shall be the dealership. The permit is not valid for a route outside Iowa.
- e.* The make, year and vehicle identification number of the motor vehicle being demonstrated.

**425.72(3)** The permit is a three-part form. The original copy of the permit shall at all times be carried in the motor vehicle to which it refers and shall be shown to any peace officer upon request. The dealer shall mail or deliver the second copy to the office of vehicle services within 48 hours after issuance. The dealer shall retain the third copy for at least one year from the date of issuance.

**425.72(4)** Only one demonstration permit per motor vehicle shall be issued for a prospective buyer.

**425.72(5)** The demonstration permit is valid only for a movement that does not exceed the legal length, width, height and weight restrictions. The permit is not valid for an overdimensional or overweight movement.

This rule is intended to implement Iowa Code sections 321.57 to 321.63.

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## CHAPTERS 426 to 429

Reserved